

FISCAL NOTE

SB 1 - HB 112

March 5, 2001

SUMMARY OF BILL:

1. allows dependents of retired state employees who become qualified for Medicare due to disability to continue coverage through the State sponsored health plan. Continuation would end when retiree's disabled dependent reaches the age at which Medicare would have been effective (without consideration of disability).
 - the insurance premium is to be the same as the premium charged to non-disabled dependents that are not yet eligible for Medicare.
 - any additional cost incurred by the medical insurance coverage authorized by TCA 8-27-201, which is attributable to the extension, offered shall be funded through an increase in the premium paid.
2. allows dependents of retired local education agency employees who become qualified for Medicare due to disability to continue coverage through the local education health plan. Continuation would end when the retiree's disabled dependent reaches age at which Medicare would have been effective (without consideration of disability).
 - the insurance premium is to be the same as the premium charged to non-disabled dependents that are not yet eligible for Medicare.
 - any additional cost incurred by the medical insurance coverage authorized by TCA 8-27-302, which is attributable to the extension, offered shall be funded through an increase in the premium paid.
3. provides that the provisions of the bill are subject to the funding being provided in the general appropriations act and would take effect on July 1, 2001.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$24,950

Increase Local Govt. Expenditures - Not Significant

Estimate assumes:

- The average premium paid by individuals that would become eligible under the state plan is estimated to be approximately \$742 each.
- The average cost of benefits provided to these individuals is estimated to be approximately \$1,740 each.
- An increase in state expenditures per individual covered in the state plan is estimated to be approximately \$998 each.
- Approximately 25 additional individuals would become eligible to participate in the state plan resulting from passage of this bill.

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- The average premium paid by individuals that would become eligible under the local education agency plan is estimated to be approximately \$1,672 each.
- The average cost of benefits provided to these individuals is estimated to be approximately \$1,740 each.
- An increase in local government expenditures per individual covered under the local plan is estimated to be approximately \$68.
- Additional individuals would become eligible to participate in the local education agency plan resulting from passage of this bill.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director